

Pillar 3 quarterly report		
1	Name of a bank	JSC PASHA Bank Georgia
2	Chairman of the Supervisory Board	Farid Mammadov
3	CEO of a bank	Arda Yusuf Arkun
4	Bank's web page	www.pashabank.ge

Senior management of the bank ensures fair presentation and accuracy of the information provided within Pillar 3 disclosure report. The report is prepared in accordance with internal review and control processes coordinated with the board. The report meets the requirements of the decree N92/04 of the Governor of the National Bank of Georgia on "Disclosure requirements for commercial banks within Pillar 3" and other relevant decrees and regulations of NBG.

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Bank: JSC PASHA Bank Georgia
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Table 1 **Key metrics**

N		1Q-2021	4Q-2020	3Q-2020	2Q-2020	1Q-2020
	Regulatory capital (amounts, GEL)					
	Based on Basel III framework					
1	CET1 capital	70,050,249	71,776,388	74,981,971	77,845,531	82,217,108
2	Tier1 capital	70,050,249	71,776,388	74,981,971	77,845,531	82,217,108
3	Regulatory capital	107,992,024	110,184,247	113,511,210	114,338,420	121,247,284
4	CET1 capital total requirement	33,015,426	29,749,757	28,768,538	29,231,114	30,216,496
5	Tier1 capital total requirement	44,035,897	39,681,870	38,373,164	38,987,690	40,301,265
6	Regulatory capital total requirement	70,845,213	72,977,892	70,844,628	72,854,978	75,239,743
	Total Risk Weighted Assets (amounts, GEL)					
7	Total Risk Weighted Assets (Total RWA) (Based on Basel III framework)	503,151,401	511,914,211	493,420,977	506,656,949	526,675,270
	Capital Adequacy Ratios					
	Based on Basel III framework *					
8	CET1 capital	13.92%	14.02%	15.20%	15.36%	15.61%
9	Tier1 capital	13.92%	14.02%	15.20%	15.36%	15.61%
10	Regulatory capital	21.46%	21.52%	23.00%	22.57%	23.02%
11	CET1 capital total requirement	6.56%	5.81%	5.83%	5.77%	5.74%
12	Tier1 capital total requirement	8.75%	7.75%	7.78%	7.70%	7.65%
13	Regulatory capital total requirement	14.08%	14.26%	14.36%	14.38%	14.29%
	Income					
14	Total Interest Income / Average Annual Assets	6.68%	6.60%	6.71%	6.62%	6.85%
15	Total Interest Expense / Average Annual Assets	2.97%	3.14%	3.20%	3.22%	3.18%
16	Earnings from Operations / Average Annual Assets	2.11%	-4.82%	-3.92%	-3.29%	-3.69%
17	Net Interest Margin	3.71%	3.46%	3.50%	3.40%	3.67%
18	Return on Average Assets (ROAA)	-1.09%	-4.83%	-5.49%	-6.90%	-10.20%
19	Return on Average Equity (ROAE)	-6.81%	-27.21%	-30.11%	-36.82%	-51.71%
	Asset Quality					
20	Non Performed Loans / Total Loans	7.51%	7.39%	8.06%	1.87%	0.32%
21	LLR/Total Loans	6.26%	6.10%	6.16%	6.29%	5.60%
22	FX Loans/Total Loans	71.82%	71.36%	74.27%	69.39%	68.60%
23	FX Assets/Total Assets	69.39%	67.71%	69.18%	64.56%	65.61%
24	Loan Growth-YTD	-1.62%	9.87%	4.79%	0.75%	0.53%
	Liquidity					
25	Liquid Assets/Total Assets	12.23%	10.49%	11.04%	12.77%	14.85%
26	FX Liabilities/Total Liabilities	83.22%	83.14%	78.79%	78.60%	79.11%
27	Current & Demand Deposits/Total Assets	17.67%	15.11%	13.21%	20.05%	11.83%
	Liquidity Coverage Ratio***					
28	Total HQLA	90,498,031	104,948,298	112,139,401	116,325,036	124,363,393
29	Net cash outflow	57,194,378	61,827,540	70,054,627	82,364,622	86,088,289
30	LCR ratio (%)	161.30%	169.57%	133.21%	145.01%	145.42%
	Net Stable Funding Ratio					
31	Available stable funding	363,627,191	362,799,006	348,765,811	348,114,630	323,139,019
32	Required stable funding	276,701,836	285,625,100	280,520,488	264,740,141	265,801,973
33	Net stable funding ratio (%)	131.41%	127.02%	124.33%	131.49%	121.57%

* Regarding the annulment of conservation buffer requirement please see the press release of National Bank of Georgia "Supervisory Plan Of The National Bank Of Georgia With Regard To COVID-19" (link: <https://www.nbg.gov.ge/index.php?m=340&newsid=3901&lng=eng>)

*** LCR calculated according to NBG's methodology which is more focused on local risks than Basel framework. See the table 14. LCR: Commercial banks are required to comply with the limits by coefficients calculated according to NBG's methodology. The numbers calculated within Basel framework are given for illustratory purposes.

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Table 2 **Balance Sheet** in Lari

N	Assets	Reporting Period			Respective period of the previous year		
		GEL	FX	Total	GEL	FX	Total
1	Cash	1,467,260	6,197,057	7,664,317	1,963,421	4,621,772	6,585,193
2	Due from NBG	98,075	46,444,249	46,542,325	0	66,594,632	66,594,632
3	Due from Banks	7,855,660	36,418,684	44,274,344	3,080,425	58,277,508	61,357,933
4	Dealing Securities	0	0	0	0	0	0
5	Investment Securities	27,004,000	13,865,510	40,869,510	38,156,702	1,596,144	39,752,847
6.1	Loans	92,163,485	234,844,181	327,007,666	95,485,902	208,653,238	304,139,140
6.2	Less: Loan Loss Reserves	-7,355,659	-13,119,907	-20,475,566	-5,812,750	-11,224,320	-17,037,070
6	Net Loans	84,807,825	221,724,274	306,532,100	89,673,152	197,428,918	287,102,070
7	Accrued Interest and Dividends Receivable	1,330,017	2,933,717	4,263,734	1,325,200	996,908	2,322,109
8	Other Real Estate Owned & Repossessed Assets	98,175	0	98,175	0	0	0
9	Equity Investments	0	0	0	0	0	0
10	Fixed Assets and Intangible Assets	19,170,117	0	19,170,117	25,227,659	0	25,227,659
11	Other Assets	2,740,029	205,680	2,945,708	13,456,598	257,355	13,713,953
12	Total assets	144,571,158	327,789,171	472,360,329	172,883,158	329,773,237	502,656,394
	Liabilities						
13	Due to Banks	49,368	69,944,443	69,993,811	11,170,166	72,195,085	83,365,251
14	Current (Accounts) Deposits	15,576,042	66,211,405	81,787,446	7,917,480	46,416,946	54,334,426
15	Demand Deposits	926,962	764,271	1,691,233	2,439,988	2,701,927	5,141,914
16	Time Deposits	27,853,055	124,838,775	152,691,831	41,396,004	130,968,048	172,364,052
17	Own Debt Securities			0	0	0	0
18	Borrowings	17,000,000	17,062,044	34,062,044	8,117,225	23,387,650	31,504,875
19	Accrued Interest and Dividends Payable	314,398	6,131,922	6,446,320	500,575	2,696,563	3,197,138
20	Other Liabilities	4,993,955	11,840,359	16,834,314	15,337,926	17,722,049	33,059,975
21	Subordinated Debentures	0	34,118,000	34,118,000	0	32,845,000	32,845,000
22	Total liabilities	66,713,781	330,911,219	397,625,000	86,879,364	328,933,268	415,812,632
	Equity Capital						
23	Common Stock	103,000,000	0	103,000,000	103,000,000	0	103,000,000
24	Preferred Stock	0	0	0	0	0	0
25	Less: Repurchased Shares	0	0	0	0	0	0
26	Share Premium	0	0	0	0	0	0
27	General Reserves	0	0	0	0	0	0
28	Retained Earnings	-28,264,671	0	-28,264,671	-16,156,238	0	-16,156,238
29	Asset Revaluation Reserves	0	0	0	0	0	0
30	Total Equity Capital	74,735,329	0	74,735,329	86,843,762	0	86,843,762
31	Total liabilities and Equity Capital	141,449,110	330,911,219	472,360,329	173,723,126	328,933,268	502,656,394

Table 3 **Income statement** *in Lari*

N	N	Reporting Period			Respective period of the previous year		
		GEL	FX	Total	GEL	FX	Total
		Interest Income					
1	Interest Income from Bank's "Nostro" and Deposit Accounts	112,414	-2,744	109,670	177,031	287,999	465,030
2	Interest Income from Loans	2,777,711	3,789,651	6,567,362	3,497,683	3,212,436	6,710,119
2.1	from the Interbank Loans			0			0
2.2	from the Retail or Service Sector Loans	1,089,735	1,946,569	3,036,305	1,773,013	1,477,758	3,250,771
2.3	from the Energy Sector Loans		69,920	69,920	183,904	24,970	208,873
2.4	from the Agriculture and Forestry Sector Loans	137,783	17,634	155,418	47,651	471	48,123
2.5	from the Construction Sector Loans	256,698	560,443	817,141	153,139	490,027	643,166
2.6	from the Mining and Mineral Processing Sector Loans		1,575	1,575	175	2,445	2,620
2.7	from the Transportation or Communications Sector Loans			0			0
2.8	from Individuals Loans	576,645	309,459	886,104	215,137	324,543	539,680
2.9	from Other Sectors Loans	716,849	884,051	1,600,900	1,124,663	892,222	2,016,886
3	Fees/penalties income from loans to customers	41,688	89,916	131,604	29,478	239,652	269,130
4	Interest and Discount Income from Securities	822,747	258,514	1,081,261	833,465	23,091	856,556
5	Other Interest Income			0			0
6	Total Interest Income	3,754,560	4,135,337	7,889,897	4,537,657	3,763,178	8,300,835
		Interest Expense					
7	Interest Paid on Demand Deposits	122,919	26,430	149,350	97,114	27,899	125,013
8	Interest Paid on Time Deposits	378,141	60,053	438,195	697,288	648,269	1,345,556
9	Interest Paid on Banks Deposits	54,832	736,653	791,485	242,811	726,444	969,254
10	Interest Paid on Own Debt Securities	288,454	944,289	1,232,743	611,787	259,373	871,160
11	Interest Paid on Other Borrowings	315,905	580,776	896,681	7,611	536,776	544,387
12	Other Interest Expenses			0			0
13	Total Interest Expense	1,160,252	2,348,202	3,508,454	1,656,610	2,198,760	3,855,371
14	Net Interest Income	2,594,308	1,787,136	4,381,444	2,881,047	1,564,418	4,445,465
		Non-Interest Income					
15	Net Fee and Commission Income	-15,523	37,353	21,830	-10,758	14,204	3,445
15.1	Fee and Commission Income	25,877	108,569	134,446	25,782	77,391	103,173
15.2	Fee and Commission Expense	41,400	71,216	112,616	36,540	63,187	99,728
16	Dividend Income			0			0
17	Gain (Loss) from Dealing Securities			0			0
18	Gain (Loss) from Investment Securities			0			0
19	Gain (Loss) from Foreign Exchange Trading	4,756,009	0	4,756,009	-1,076,208	0	-1,076,208
20	Gain (Loss) from Foreign Exchange Translation	-3,945,892	0	-3,945,892	2,544,259	0	2,544,259
21	Gain (Loss) on Sales of Fixed Assets			0	28		28
22	Non-Interest Income from other Banking Operations	345,782	120,477	466,259	213,670	107,762	321,432
23	Other Non-Interest Income	21,863		21,863	376		376
24	Total Non-Interest Income	1,162,240	157,830	1,320,070	1,671,368	121,966	1,793,333
		Non-Interest Expenses					
25	Non-Interest Expenses from other Banking Operations	208,364	251,771	460,135	269,553	210,025	479,577
26	Bank Development, Consultation and Marketing Expenses	896,424	491	896,915	1,531,889		1,531,889
27	Personnel Expenses	3,887,718	0	3,887,718	4,173,557	0	4,173,557
28	Operating Costs of Fixed Assets	2,260	0	2,260	2,246	0	2,246
29	Depreciation Expense	1,538,544	0	1,538,544	1,485,333	0	1,485,333
30	Other Non-Interest Expenses	376,384		376,384	491,352		491,352
31	Total Non-Interest Expenses	6,909,693	252,262	7,161,955	7,953,930	210,025	8,163,955
32	Net Non-Interest Income	-5,747,454	-94,432	-5,841,885	-6,282,563	-88,059	-6,370,622
33	Net Income before Provisions	-3,153,146	1,692,704	-1,460,442	-3,401,516	1,476,359	-1,925,157
34	Loan Loss Reserve	147,383	0	147,383	10,165,920	0	10,165,920
35	Provision for Possible Losses on Investments and Securities		0	0		0	0
36	Provision for Possible Losses on Other Assets	-282,482		-282,482	276,346		276,346
37	Total Provisions for Possible Losses	-135,099	0	-135,099	10,442,266	0	10,442,266
38	Net Income before Taxes and Extraordinary Items	-3,018,047	1,692,704	-1,325,343	-13,843,782	1,476,359	-12,367,423
39	Taxation			0			0
40	Net Income after Taxation	-3,018,047	1,692,704	-1,325,343	-13,843,782	1,476,359	-12,367,423
41	Extraordinary Items	43,365	0	43,365			0
42	Net Income	-2,974,682	1,692,704	-1,281,978	-13,843,782	1,476,359	-12,367,423

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Table 4

in Lari

N	On-balance sheet items per standardized regulatory report	Reporting Period			Respective period of the previous year		
		GEL	FX	Total	GEL	FX	Total
1	Contingent Liabilities and Commitments	33,820,809	28,304,866	62,125,675	32,284,092	47,382,901	79,666,992
1.1	Guarantees Issued	17,576,341	14,826,644	32,402,986	16,402,105	18,849,904	35,252,009
1.2	Letters of credit Issued			0		394,140	394,140
1.3	Undrawn loan commitments	16,244,468	13,478,222	29,722,689	15,881,987	28,138,857	44,020,844
1.4	Other Contingent Liabilities			0			0
2	Guarantees received as security for liabilities of the bank			0			0
3	Assets pledged as security for liabilities of the bank	0	0	0	0	0	0
3.1	Financial assets of the bank			0			0
3.2	Non-financial assets of the bank			0			0
4	Guarantees received as security for receivables of the bank	35,623,105	377,081,538	412,704,643	42,936,609	325,306,050	368,242,658
4.1	Surety, joint liability	32,166,421	361,812,981	393,979,402	37,946,516	309,534,568	347,481,085
4.2	Guarantees	3,456,684	15,268,557	18,725,241	4,990,092	15,771,482	20,761,574
5	Assets pledged as security for receivables of the bank	84,910,220	1,116,804,614	1,201,714,834	110,530,269	919,349,145	1,029,879,415
5.1	Cash	8,190,251	11,426,362	19,616,613	6,661,064	17,096,882	23,757,946
5.2	Precious metals and stones			0			0
5.3	Real Estate:	38,789,450	1,065,695,926	1,104,485,376	40,219,176	855,402,027	895,621,203
5.3.1	<i>Residential Property</i>	0	75,899,510	75,899,510	0	93,414,520	93,414,520
5.3.2	<i>Commercial Property</i>	3,855,876	936,219,871	940,075,747	3,855,876	707,038,562	710,894,439
5.3.3	<i>Complex Real Estate</i>	0	3,773,451	3,773,451	0	5,419,425	5,419,425
5.3.4	<i>Land Parcel</i>	0	40,313,851	40,313,851	363,300	38,981,534	39,344,834
5.3.5	<i>Other</i>	34,933,574	9,489,243	44,422,817	36,000,000	10,547,985	46,547,985
5.4	Movable Property	1,308,546	19,047,973	20,356,519	2,180,910	27,143,220	29,324,130
5.5	Shares Pledged	0	27	27	0	16	16
5.6	Securities			0			0
5.7	Other	36,621,972	20,634,325	57,256,298	61,469,119	19,707,000	81,176,119
6	Derivatives	19,814,262	212,258,315	232,072,576	52,803,547	284,300,149	337,103,695
6.1	Receivables through FX contracts (except options)	10,961,863	104,927,893	115,889,755	33,218,705	133,990,829	167,209,533
6.2	Payables through FX contracts (except options)	8,852,399	107,330,422	116,182,821	19,584,842	150,309,320	169,894,162
6.3	Principal of interest rate contracts (except options)			0			0
6.4	Options sold			0			0
6.5	Options purchased			0			0
6.6	Nominal value of potential receivables through other derivatives			0			0
6.7	Nominal value of potential payables through other derivatives			0			0
7	Receivables not recognized on-balance	1,332,766	4,193,626	5,526,393	274,057	10,786,347	11,060,403
7.1	Principal of receivables derecognized during last 3 month			0			0
7.2	Interest and penalty receivable not recognized on-balance or derecognized during last 3 month	305,739	338,238	643,977	165,961	59,275	225,236
7.3	Principal of receivables derecognized during 5 years month (including last 3 month)	662,405	0	662,405	69,960	8,446,893	8,516,853
7.4	Interest and penalty receivable not recognized on-balance or derecognized during last 5 years (including last 3 month)	670,362	4,193,626	4,863,988	204,096	2,339,454	2,543,551
8	Non-cancelable operating lease	0	0	0	0	0	0
8.1	Through indefinit term agreement			0			0
8.2	Within one year			0			0
8.3	From 1 to 2 years			0			0
8.4	From 2 to 3 years			0			0
8.5	From 3 to 4 years			0			0
8.6	From 4 to 5 years			0			0
8.7	More than 5 years			0			0
9	Capital expenditure commitment			0			0

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Table 5 **Risk Weighted Assets** *in Lari*

N		1Q-2021	4Q-2020	3Q-2020	2Q-2020	1Q-2020
1	Risk Weighted Assets for Credit Risk	454,932,913	465,140,021	452,099,063	465,517,471	484,953,577
1.1	Balance sheet items *	431,595,907	438,451,285	425,090,808	432,632,467	455,712,925
1.1.1	Including: amounts below the thresholds for deduction (subject to 250% risk weight)					
1.2	Off-balance sheet items	21,019,211	23,747,861	23,291,410	27,884,395	25,896,461
1.3	Counterparty credit risk	2,317,795	2,940,875	3,716,845	5,000,609	3,344,191
2	Risk Weighted Assets for Market Risk	6,614,036	5,169,737	3,825,396	3,642,960	4,225,175
3	Risk Weighted Assets for Operational Risk	41,604,452	41,604,452	37,496,518	37,496,518	37,496,518
4	Total Risk Weighted Assets	503,151,401	511,914,211	493,420,977	506,656,949	526,675,270

* COVID 19 related provisions are deducted from balance sheet items after applying relevant risks weights and mitigation

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Table 6 **Information about supervisory board, directorate, beneficiary owners and shareholders**

Members of Supervisory Board		Independence status
1	Shahin Mammadov	Member of PASHA Bank Supervisory Board
2	George Glonti	Senior Independent Member of PASHA Bank Supervisory Board
3	Ebru Ogan Knottnerus	Independent Member of PASHA Bank Supervisory Board
4	Jalal Gasimov	Member of PASHA Bank Supervisory Board
5	Farid Mammadov	Chairman of PASHA Bank Supervisory Board
6		
7		
8		
9		
10		
Members of Board of Directors		Position/Subordinated business units
1	Arda Yusuf Arkun	Chairman of Board of Directors, CEO
2	Selim Berent	Member of the Board of Directors, CFO
3	Asaf Huseynov	Member of the Board of Directors, Chief Risk Officer
4		
5		
6		
7		
8		
9		
10		
List of Shareholders owning 1% and more of issued capital, indicating Shares		
1	PASHA Bank OJSC	100%
List of bank beneficiaries indicating names of direct or indirect holders of 5% or more of shares		
1	Mr. Arif Pashayev	19.1%
2	Mrs. Arzu Aliyeva	35.1%
3	Mrs. Leyla Aliyeva	35.1%
4	Mr. Mir Jamal Pashayev	10.7%

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Table 7 **Linkages between financial statement assets and balance sheet items subject to credit risk weighting**

		a	b	c
			Carrying values of items	
	Account name of standardized supervisory balance sheet item	Carrying values as reported in published stand-alone financial statements per local accounting rules	Not subject to capital requirements or subject to deduction from capital	Subject to credit risk weighting
1	Cash	7,664,317		7,664,317
2	Due from NBG	46,542,325		46,542,325
3	Due from Banks	44,274,344		44,274,344
4	Dealing Securities	-		-
5	Investment Securities	40,869,510		40,869,510
6.1	Loans	327,007,666		327,007,666
6.2	<i>Less: Loan Loss Reserves</i>	<i>(20,475,566)</i>		<i>(20,475,566)</i>
6	Net Loans	306,532,100		306,532,100
7	Accrued Interest and Dividends Receivable	4,263,734		4,263,734
8	Other Real Estate Owned & Repossessed Assets	98,175		98,175
9	Equity Investments	-		-
10	Fixed Assets and Intangible Assets	19,170,117	4,685,080	14,485,037
11	Other Assets	2,945,708		2,945,708
	Total exposures subject to credit risk weighting before adjustments	472,360,329	4,685,080	467,675,248

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Table 8 **Differences between carrying values per standardized balance sheet used for regulatory reporting purposes and th** *in Lari*

1	Total carrying value of balance sheet items subject to credit risk weighting before adjustments	467,675,248
2.1	Nominal values of off-balance sheet items subject to credit risk weighting	61,267,886
2.2	Nominal values of off-balance sheet items subject to counterparty credit risk weighting	115,889,755
3	Total nominal values of on-balance and off-balance sheet items before any adjustments used for credit risk weighting purposes	644,832,889
4	Effect of provisioning rules used for capital adequacy purposes	6,252,310
5.1	Effect of credit conversion factor of off-balance sheet items related to credit risk framework	-40,248,675
5.2	Effect of credit conversion factor of off-balance sheet items related to counterparty credit risk framework (table CCR)	-113,571,960
6	Effect of other adjustments *	3,435,123
7	Total exposures subject to credit risk weighting	500,699,687

*Other adjustments include COVID 19 related provisions too. These provisions are deducted from risk weighted balance sheet items. See table "5.RWA"

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Table 9

Regulatory capital

N		in Lari
1	Common Equity Tier 1 capital before regulatory adjustments	74,735,329
2	Common shares that comply with the criteria for Common Equity Tier 1	103,000,000
3	Stock surplus (share premium) of common share that meets the criteria of Common Equity Tier 1	
4	Accumulated other comprehensive income	
5	Other disclosed reserves	
6	Retained earnings (loss)	-28,264,671
7	Regulatory Adjustments of Common Equity Tier 1 capital	4,685,080
8	Revaluation reserves on assets	
9	Accumulated unrealized revaluation gains on assets through profit and loss to the extent that they exceed accumulated unrealized revaluation losses through profit and loss	
10	Intangible assets	4,685,080
11	Shortfall of the stock of provisions to the provisions based on the Asset Classification	
12	Investments in own shares	
13	Reciprocal cross holdings in the capital of commercial banks, insurance entities and other financial institutions	
14	Cash flow hedge reserve	
15	Deferred tax assets not subject to the threshold deduction (net of related tax liability)	
16	Significant investments in the common equity tier 1 capital (that are not common shares) of commercial banks, insurance entities and other financial institutions that are outside the scope of regulatory consolidation	
17	Holdings of equity and other participations constituting more than 10% of the share capital of other commercial entities	
18	Significant investments in the common shares of commercial banks, insurance entities and other financial institutions (amount above 10% limit)	
19	Investments in the capital of commercial banks, insurance entities and other financial institutions where the bank does not own more than 10% of the issued share capital (amount above 10% limit)	
20	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	
21	The amount of significant Investments and Deferred Tax Assets which exceed 15% of common equity tier 1	
22	Regulatory adjustments applied to Common Equity Tier 1 resulting from shortfall of Tier 1 and Tier 2 capital to deduct investments	
23	Common Equity Tier 1	70,050,249
24	Additional tier 1 capital before regulatory adjustments	0
25	Instruments that comply with the criteria for Additional tier 1 capital	0
26	Including: instruments classified as equity under the relevant accounting standards	
27	Including: instruments classified as liabilities under the relevant accounting standards	
28	Stock surplus (share premium) that meet the criteria for Additional Tier 1 capital	
29	Regulatory Adjustments of Additional Tier 1 capital	0
30	Investments in own Additional Tier 1 instruments	
31	Reciprocal cross-holdings in Additional Tier 1 instruments	
32	Significant investments in the Additional Tier 1 capital (that are not common shares) of commercial banks, insurance entities and other financial institutions	
33	Investments in the capital of commercial banks, insurance entities and other financial institutions where the bank does not own more than 10% of the issued share capital (amount above 10% limit)	
34	Regulatory adjustments applied to Additional Tier 1 resulting from shortfall of Tier 2 capital to deduct investments	
35	Additional Tier 1 Capital	0
36	Tier 2 capital before regulatory adjustments	37,941,776
37	Instruments that comply with the criteria for Tier 2 capital	32,212,175
38	Stock surplus (share premium) that meet the criteria for Tier 2 capital	
39	General reserves, limited to a maximum of 1.25% of the bank's credit risk-weighted exposures	5,729,600
40	Regulatory Adjustments of Tier 2 Capital	0
41	Investments in own shares that meet the criteria for Tier 2 capital	
42	Reciprocal cross-holdings in Tier 2 capital	
43	Significant investments in the Tier 2 capital (that are not common shares) of commercial banks, insurance entities and other financial institutions	
44	Investments in the capital of commercial banks, insurance entities and other financial institutions where the bank does not own more than 10% of the issued share capital (amount above 10% limit)	
45	Tier 2 Capital	37,941,776

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Table 9.1 Capital Adequacy Requirements

Minimum Requirements		Ratio	Amounts (GEL)
1	Pillar 1 Requirements		
1.1	Minimum CET1 Requirement	4.50%	22641813
1.2	Minimum Tier 1 Requirement	6.00%	30189084
1.3	Minimum Regulatory Capital Requirement	8.00%	40252112
2	Combined Buffer		
2.1	Capital Conservation Buffer *	0.00%	0
2.2	Countercyclical Buffer	0.00%	0
2.3	Systemic Risk Buffer		0
3	Pillar 2 Requirements		
3.1	CET1 Pillar 2 Requirement	2.06%	10,373,613
3.2	Tier 1 Pillar2 Requirement	2.75%	13,846,813
3.3	Regulatory capital Pillar 2 Requirement	6.08%	30,593,101
	Total Requirements		
		Ratios	Amounts (GEL)
4	CET1	6.56%	33,015,426
5	Tier 1	8.75%	44,035,897
6	Total regulatory Capital	14.08%	70,845,213

* Regarding the annulment of conservation buffer requirement please see the press release of National Bank of Georgia "Supervisory Plan Of The National Bank Of Georgia With Regard To COVID-19" (link: <https://www.nbg.gov.ge/index.php?m=340&newsid=3901&lng=eng>)

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Table 10 Reconciliation of balance sheet to regulatory capital

in Lari

N	On-balance sheet items per standardized regulatory report	Carrying values as reported in published stand-alone financial statements per local accounting rules	linkage to capital table
1	Cash	7,664,317	
2	Due from NBG	46,542,325	
3	Due from Banks	44,274,344	
4	Dealing Securities	0	
5	Investment Securities	40,869,510	
6.1	Loans	327,007,666	
6.2	Less: Loan Loss Reserves	-20,475,566	
6	Net Loans	306,532,100	
7	Accrued Interest and Dividends Receivable	4,263,734	
8	Other Real Estate Owned & Repossessed Assets	98,175	
9	Equity Investments		
9.1	Of which above 10% equity holdings in financial institutions		
9.2	Of which significant investments subject to limited recognition		
9.3	Of which below 10% equity holdings subject to limited recognition		
10	Fixed Assets and Intangible Assets	19,170,117	
10.1	Of which intangible assets	4,685,080	table 9 (Capital), N10
11	Other Assets	2,945,708	
12	Total assets	472,360,329	
13	Due to Banks	69,993,811	
14	Current (Accounts) Deposits	81,787,446	
15	Demand Deposits	1,691,233	
16	Time Deposits	152,691,831	
17	Own Debt Securities	0	
18	Borrowings	34,062,044	
19	Accrued Interest and Dividends Payable	6,446,320	
20	Other Liabilities	16,834,314	
21	Subordinated Debentures	34,118,000	
21.1	Of which tier II capital qualifying instruments	32,212,175	
22	Total liabilities	397,625,000	
23	Common Stock	103,000,000	
24	Preferred Stock		
25	Less: Repurchased Shares		
26	Share Premium		
27	General Reserves		
28	Retained Earnings	-28,264,671	
29	Asset Revaluation Reserves		
30	Total Equity Capital	74,735,329	

Table 13 Standardized approach - Effect of credit risk mitigation

	a	b		c	d	e
		On-balance sheet exposures	Off-balance sheet exposures - Nominal value			
					RWA before Credit Risk Mitigation	RWA post Credit Risk Mitigation
Asset Classes						
1 Claims or contingent claims on central governments or central banks	51,892,992				46,444,249	46,444,249
2 Claims or contingent claims on regional governments or local authorities	-				-	-
3 Claims or contingent claims on public sector entities	-				-	-
4 Claims or contingent claims on multilateral development banks	-				-	-
5 Claims or contingent claims on international organizations/institutions	-				-	-
6 Claims or contingent claims on commercial banks	44,299,877	294,000	147,000		15,228,285	15,228,285
7 Claims or contingent claims on corporates	345,469,255	46,013,157	18,597,235		364,066,490	364,066,490
8 Retail claims or contingent retail claims	11,979,239	14,960,728	2,274,976		14,254,215	14,254,215
9 Claims or contingent claims secured by mortgages on residential property	-				-	-
10 Past due items	-				-	-
11 Items belonging to regulatory high-risk categories	-				-	-
12 Short-term claims on commercial banks and corporates	-				-	-
13 Claims in the form of collective investment undertakings ('CIU')	-				-	-
14 Other items	23,721,319				16,057,002	16,057,002
Total	0	61,267,886	21,019,211		456,050,241	456,050,241

Table 11 Liquidity Coverage Ratio

	Total unweighted value (Daily average)			Total weighted values according to NSB's methodology* (Daily average)			Total weighted values according to Basel methodology (Daily average)		
	GEL	FX	Total	GEL	FX	Total	GEL	FX	Total
High-quality liquid assets									
1 Total HQLA			15,157,619		75,345,412	90,498,031		48,695,682	60,614,960
Cash inflows									
2 Retail deposits	7,607,481	33,560,715	41,168,207	7,277,035	6,917,592	7,644,627	190,956	1,392,000	1,582,955
3 Operational activities funding	32,737,723	274,029,245	306,766,968	32,485,338	31,259,338	4,515,724	15,602,371	39,608,091	39,238,954
4 Secured wholesale funding	15,839,416		15,839,416						
5 Outflows related to off-balance sheet obligations and net short position of derivative exposures	38,104,461	29,132,788	67,237,259	7,009,518	6,402,242	13,411,400	2,411,161	2,316,760	4,747,921
6 Other contractual funding obligations									
7 Other contingent funding obligations	4,124,818	37,791,581	41,916,399	1,024,700	2,317,591	4,142,313	1,824,780	2,317,591	4,142,313
8 TOTAL CASH INFLOWS	90,809,127	384,486,334	475,295,461	23,046,511	46,666,961	69,713,473	18,627,230	30,654,841	49,682,963
Cash outflows									
9 Secured lending (off-balance sheet)									
10 Outflows from fully derivative exposures	83,632,282	234,333,806	317,966,088	7,405,619	2,079,813	10,177,866	10,937,823	34,129,552	45,067,375
11 Other cash outflows	6,249,997	14,190,020	20,440,017	938,159	213,070	1,141,270	928,159	213,070	1,141,270
12 TOTAL CASH OUTFLOWS	90,882,279	248,523,826	339,406,105	8,343,778	2,292,883	11,319,136	11,865,982	34,342,622	46,208,645
				Total value according to NSB's methodology* (with limits)			Total value according to Basel methodology (with limits)		
13 Total HQLA			15,157,619		75,345,412	90,498,031		48,695,682	60,614,960
14 Net cash inflows			15,712,400		43,881,879	57,594,378		4,163,239	1,653,710
15 Liquidity coverage ratio (%)			147.67%		174.37%	161.30%		301.31%	610.41%

* Commercial banks are required to comply with the limits by coefficients calculated according to NSB's methodology. The numbers calculated within Basel framework are given for illustratory purposes.

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Table 15 Counterparty credit risk

	a	b	c	d	e	f	g	h	i	j	k	l
	Nominal amount	Percentage	Exposure value	0%	20%	35%	50%	75%	100%	150%	250%	Counterparty Credit Risk Weighted Exposures
1	FX contracts	115,889,755	2,317,795	0	0	0	0	0	2,317,795	0	0	2,317,795
1.1	Maturity less than 1 year	115,889,755	2,317,795						2,317,795			2,317,795
1.2	Maturity from 1 year up to 2 years	0	0									0
1.3	Maturity from 2 years up to 3 years	0	0									0
1.4	Maturity from 3 years up to 4 years	0	0									0
1.5	Maturity from 4 years up to 5 years	0	0									0
1.6	Maturity over 5 years	0	0									0
2	Interest rate contracts	0	0	0	0	0	0	0	0	0	0	0
2.1	Maturity less than 1 year		0									0
2.2	Maturity from 1 year up to 2 years		0									0
2.3	Maturity from 2 years up to 3 years		0									0
2.4	Maturity from 3 years up to 4 years		0									0
2.5	Maturity from 4 years up to 5 years		0									0
2.6	Maturity over 5 years		0									0
	Total	115,889,755	2,317,795	0	0	0	0	0	2,317,795	0	0	2,317,795

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Table 15.1 Leverage Ratio

On-balance sheet exposures (excluding derivatives and SFTs)		
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral) *	478,612,639
2	(Asset amounts deducted in determining Tier 1 capital)	(4,685,080)
3	Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)	473,927,558
Derivative exposures		
4	Replacement cost associated with <i>all</i> derivatives transactions (ie net of eligible cash variation margin)	
5	Add-on amounts for PFE associated with <i>all</i> derivatives transactions (mark-to-market method)	
EU-5a	Exposure determined under Original Exposure Method	2,317,795
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	
8	(Exempted CCP leg of client-cleared trade exposures)	
9	Adjusted effective notional amount of written credit derivatives	
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	
11	Total derivative exposures (sum of lines 4 to 10)	2,317,795
Securities financing transaction exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	
14	Counterparty credit risk exposure for SFT assets	
EU-14a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Article 429b (4) and 222 of Regulation (EU) No 575/2013	
15	Agent transaction exposures	
EU-15a	(Exempted CCP leg of client-cleared SFT exposure)	
16	Total securities financing transaction exposures (sum of lines 12 to 15a)	-
Other off-balance sheet exposures		
17	Off-balance sheet exposures at gross notional amount	61,267,886
18	(Adjustments for conversion to credit equivalent amounts)	(39,095,181)
19	Other off-balance sheet exposures (sum of lines 17 to 18)	22,172,705
Exempted exposures in accordance with CRR Article 429 (7) and (14) (on and off balance sheet)		
EU-19a	(Exemption of intragroup exposures (solo basis) in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off balance sheet))	
EU-19b	(Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off balance sheet))	
Capital and total exposures		
20	Tier 1 capital	70,050,249
21	Total leverage ratio exposures (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)	498,418,058
Leverage ratio		
22	Leverage ratio	14.05%
Choice on transitional arrangements and amount of derecognised fiduciary items		
EU-23	Choice on transitional arrangements for the definition of the capital measure	
EU-24	Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation (EU) NO 575/2013	

*COVID 19 related provisions are deducted from balance sheet items